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Letter No. 2232

October 3, 1985

**LESS DELAY/
PAPERWORK FOR
FmHA LOANS**

New procedures for guaranteed loans made by U.S. Department of Agriculture's Farmers Home Administration will take effect Oct. 7. And, according to the agency's Administrator Vance Clark, "We're going to expedite the entire processing operation so farmers will be spared much of the paperwork, delay and frustration they've had to deal with in the past." The changes include allowing farmers to establish a "line of credit" with a participating lender, so approved funds may be advanced as needed for loan purposes; accepting the approved lender's completed forms as much as possible, to avoid duplication of paperwork, and to save time and effort; setting time limits for completing the loan guarantee application process; allowing farmers to use guaranteed loans to refinance direct FmHA loans; giving lenders quicker settlement on their loss claims; and modifying requirements for approved lender status.

**MORE MILK
IN CHINA**

China is coming on strong as a milk producing nation. A report from the U.S. Department of Agriculture's agricultural counselor in Beijing says milk production in China this year is forecast at 1.8 million tons, 27 pct. above last year. Milking cows are estimated at 900-thousand head, up 23 pct. over last year. Average annual milk production per cow is around 6-thousand pounds, with better farms reporting yields of 10- to 14-thousand pounds. And more of the milk is being produced outside of state farms. Individual households are expanding production because of increased profitability.

**SOVIETS INCREASE
MEAT PRODUCTION**

Meat production in the Soviet Union keeps going up, but the reason appears to be the fact that the Soviets are slaughtering lighter animals, according to the U.S. Department of Agriculture attache in Moscow. This results in more meat on the market but decreased livestock numbers. Only the poultry sector has been able to increase meat output without reducing inventories. Total Soviet meat production during the first eight months of the calendar year was up 3 pct. over the same period last year. For the individual meats, beef was up 4 pct., pork up 1 pct., and poultry up 6 pct. Goat meat production was down 4-1/2 pct. The attache also reported milk and egg production for this time of year are at record levels with milk production up 9-1/2 pct.

CORN SALE

The marketing year for corn began October, and on the second day of the month, private exporters reported to the U.S. Department of Agriculture sales of 112-thousand metric tons of corn for delivery to Taiwan.

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THAI FARMERS
SWITCH
PRODUCTION

During the international marketing year that ended September 30, Thailand was expected to export 2-3 million tons of manioc (MAN-ee-awk), according to a U.S. Department of Agriculture report. Manioc is a starchy root that can be substituted for feed grains when combined with a protein source. However, prices were down, and now it appears that Thai farmers are diverting manioc land to corn and jute, reducing manioc production by 35 pct. and exportable supplies by 2 million tons. All of this could result in increased demand for imported feed grains, particularly in Asian markets. Another spinoff effect could affect the European Community as well. Thailand normally provides 95 pct. of the globally traded manioc, most of which has historically gone to the EC.

UK MAY NEED
MORE WHEAT

Quite likely the United Kingdom will have to buy more high quality wheat during the 1985-'86 marketing year, according to a report from the U.S. Department of Agriculture. One reason is the decline in production forecast because of wet weather, but a still more important reason is that the wheat that is being harvested may have low protein content and excessive moisture, a combination that is not good if the wheat is to be used for milling. Signals are already being seen that indicate the UK's supply of bread-quality wheat are already low. The unexpected recent purchase of Australian wheat is one such signal and is the first such sale since 1977. However, it's not expected the U.S. will supply much of wheat but that it will come from France, Canada, West Germany and Australia.

BEEF YIELD
GRADE PROPOSAL
OUT

Back in November of 1984 the U.S. Department proposed to revise U.S. standards for yield grades of beef carcasses and slaughter cattle. Now that proposal has been withdrawn. According to Department spokesperson Paul Fuller, the proposal was withdrawn in part because of industry concerns that it would not only create marketing problems and confusion, but it would also be detrimental to the industry's goal of producing leaner beef.

CHINA'S COTTON
PRODUCTION STILL
STRONG

The Chinese planted less land to cotton this past growing season, but production still exceeds demand and stocks are increasing. And according to a U.S. Department of Agriculture report, the production level may continue about the same for the coming season. The state council in China recently approved policy for what will happen during the 1986 cotton season...including production, purchase and marketing of cotton. The policy says the state's 1985 procurement contract from growers of 19.5 million bales also will apply for the 1986 season. Individual provincial contracts will remain at the 1985 level. Local governments are to sign cotton contracts with farmers prior to the planting of winter wheat this fall.

CCC INTEREST
RATE LOWERED
TO 8%

Loans made by U.S. Department of Agriculture's Commodity Credit Corporation in October will carry an 8 pct. interest rate. The new rate is down from the previous 8-1/8 pct. rate. The new 8 pct. rate reflects the interest rate CCC is charged by the U.S. Treasury.

FROM OUR
TELEVISION
SERVICE

SUGARS AND SWEETENERS UPDATE... Large U.S. sugar stocks in 1985 are currently pressuring U.S. and world sugar prices, according to the U.S. Department of Agriculture. USDA economist Robert Barry takes a look at the latest outlook for the U.S. sugar industry. DeBoria Janifer interviews. (481)

U.S. RICE OUTLOOK... U.S. rice production for 1985/86 is down, but continued weak demand will cause rice stocks to build. USDA economist Janet Livezy focuses on the current rice situation. DeBoria Janifer interviews. (482)

LIVESTOCK AND POULTRY SITUATION... World trade in meat and poultry, after declining in 1984, is expected to resume an upward trend this year and in 1986. USDA analyst Norval Frances examines the livestock and poultry situation. Vic Powell interviews. (483)

CROPLAND USE AND SUPPLY - I... One of the items that quickly reflects changes in farm legislation is cropland. USDA economist Rober Hexem talks about cropland use and supply and how legislation affects it. Vic Powell interviews. (484)

CROPLAND USE AND SUPPLY - II... USDA economist Rober Hexem continues his discussion on changes taking place in terms of cropland use and supply, and some of the legislative influencing factors on cropland used in 1986. Vic Powell interviews. (485)

EC'S GRAIN
EXPORTS TO
INCREASE

The latest U.S. Department of Agriculture monthly report on export markets for U.S. grain and products provides a speculation that if the European Community's grain production continues to increase as it has during the past 10 years, the present level of exportable surplus of 19.6 million metric tons could expand to 37.7 million metric tons by the 1989/90 marketing year. The report points out that this growing exportable surplus has serious ramifications for the EC and traditional exporting countries. For instance, if such surplus is exported, especially into a highly competitive market, the costs for the EC export subsidy program could soon approach \$2-3 billion. The economic impact on traditional and non-subsidizing export countries would be staggering. On the other hand, the report says, if the surplus is not exported, costs of storage and/or production limitations will also become very heavy for the EC. (For more information, call the Grain and Feed Division of the USDA Foreign Agricultural Service: 202-447-2009.)

INDEX OF PRICES
FARMERS RECEIVED
DOWN

The September index of prices farmers received for their commodities and products was down 1 point, which is 8/10ths of a percent, from the August level. Lower prices for hogs, cattle, corn, onions and potatoes were partially offset by higher prices for broilers, eggs, lemons, grapefruit and oranges. The prices paid by farmers for such things as commodities, services, interest, taxes and farm wage rates, also dropped...by 6/10ths of a percent during the same period. (For more statistical information, call 202-447-5446.)

OFF MIKE

We've had "Iowa State Fair Report"... "Son of Iowa State Fair Report"... "Son of Iowa State Fair, Chapter 2"... and now it's time for "Son of Iowa State Fair, Chapter Umpteen." As you'll remember in our last chapter, we were still struggling to get out from under misidentifying Doug Cooper (KWMT, Fort Dodge, IA) and reporting on how well he and Craighton Knau (KMA, Shendandoah, IA) did in the Iowa governor's Charity Steer Show. The latest chapter finds Craighton offering the possibility that "...if he (Doug) had fallen down as his steer took control, it would have appeared as if the steer had a bowling ball at the end of the halter lead." We offer this comment only in the true desire of updating our story...of course. And Craighton goes on to observe how well Doug is known in his home territory. When he was asked to emcee another event, he was identified in the program as working for station KVFD. 'Tis a cruel world ... And the latest from Cooper (Doug, in this case) is that at the Iowa State Fair, he won the Ewe Show with a ram. He says it was all played for laughs ... Economy moves have brought changes at the National Cattlemen's Assn, Denver, CO, and one result is Ron Francis has resigned and is looking for a job as a broadcaster. Ron was with the Association for 10 years as radio-TV specialist and writer and before that was in the same work at University of Kentucky. He can be reached in Denver at 303-797-2427 ... Another farm broadcaster looking for greener pastures is Rick Hazen. Rick is presently the news director at KCOW, Alliance, Nebraska. He can be reached at the station (308-762-1400) or at home (308-762-7591) .. If you've called our office lately and heard a new voice, it belongs to Alicyn Jones. She's been with us for about a month now, and she pronounces her first name as if it were spelled Allison.


FROM OUR RADIO
SERVICE

AGRICULTURE USA #1479...(Weekly 13½ min documentary) If you're in the middle or upper income brackets, experts say you may need a financial planner. On this edition of Agriculture USA, Brenda Curtis talks to Dept. of Agric. Economist Colien Heferan about financial planning.

AGRITAPE/FARM PROGRAM REPORT #1468...(Weekly reel of news features) USDA news highlights; Long range weather forecast; New farmers' home loan rules; Alligator farming; Saving a bay.

CONSUMER TIME #3961...(Weekly reel of five 2½-3 min features) It's out the closet; An Alaskan vacation; Old age and fat; Missing calories; Watts in a light bulb.

USDA RADIO NEWS SERVICE...Tues, Oct. 8, Weekly crop and weather; Wed, Oct. 9, Vegetables; Thurs, Oct. 10, U.S. crop production, World ag. supply demand, Soybean stocks; Fri, Oct. 16, Milk production.. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EDT each working day.


JAMES L. JOHNSON, Chief
Radio-Television Division